

ORDINANCE NO. 1274

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
LODI AUTHORIZING THE ISSUANCE OF NOTES BY
NORTHERN CALIFORNIA POWER AGENCY (GEOTHERMAL
GENERATING PROJECT NUMBER 3)

WHEREAS, pursuant to the provisions of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, as amended (the "Joint Powers Act"), the City of Lodi and certain other public agencies created pursuant to the laws of the State of California (collectively, the "Members"), have entered into a Joint Powers Agreement, as amended (the "Agreement"), creating the Northern California Power Agency (the "Agency"), a public entity separate and apart from the Members; and

WHEREAS, in accordance with the Agreement and the Joint Powers Act, the Agency has entered or will enter into agreements to acquire and construct (or cause to be acquired and constructed) a project for the generation and transmission of electric energy consisting of two 55 megawatt geothermal generating units and related facilities, including transmission, proposed to be constructed in Sonoma and Lake Counties, State of California, and capital improvements thereto that may be constructed from time to time, and interests in certain other property and rights relating thereto, including, without limitation, such interest in the Agency's Geothermal Generating Project Number 2, as the Agency may determine (the "Project"); and

WHEREAS, the Agency proposes to issue, in accordance with the Agreement and the Joint Powers Act, from time to time, in one or more installments, its notes and other evidences of indebtedness (including renewal notes) ("Notes") to be outstanding at any one time in accordance with their terms in the estimated maximum aggregate principal amount of \$300,000,000, for the purpose of financing studies, the acquisition of options, permits, and other preliminary costs to be incurred prior to the undertaking of the construction or acquisition of the Project and for the purpose of providing temporary financing of costs of acquisition and construction of the Project; and

WHEREAS, the Agency proposes to issue its revenue bonds and evidences of indebtedness ("Public Power Revenue Bonds") for the purpose of providing funds for the acquisition, construction and financing of the Project; and

WHEREAS, notwithstanding the aforesaid estimated maximum aggregate principal amount of Notes proposed to be issued by the Agency for the Project and to be outstanding at any one time in accordance with their terms, additional Notes may be required to complete the financing of the Project; and

WHEREAS, the Agency has entered or will enter into one or more agreements (the "Member Agreements") with certain entities (including two or more of the Members), pursuant to which the entities entering into such Member Agreements with the Agency (the "Participants") will, in the aggregate, purchase options and/or rights to purchase and/or receive 100% of the capacity and energy of the Project; and

WHEREAS, the Notes are to be renewable from time to time and payable from proceeds of renewal Notes and the proceeds of the Public Power Revenue Bonds and, to the extent not so paid, may be payable from revenues of the Agency from the Project, including payments to be made by the Participants under the Member

Agreements; and

WHEREAS, in accordance with the Joint Powers Act, the exercise by the Agency of its power to issue the Notes is subject to the authorization of such issuance by the Members pursuant to Ordinance; and

WHEREAS, neither the payment of principal of the Notes nor any part thereof nor interest thereon shall constitute a debt, liability or obligation of the City of Lodi; nor does this Ordinance commit the City of Lodi to take or pay for any capacity or energy of the Project; and

WHEREAS, THIS City Council has authorized by Ordinance the issuance and sale by the Agency of its Public Power Revenue Bonds, the proceeds from the sale of which are to be used for the acquisition, construction and financing of the Project, including interest on such Bonds and deposits to reserves, and to pay the principal, premium, if any, and interest on the Notes authorized by this Ordinance when due.

NOW, THEREFORE, the City Council of the City of Lodi does ordain as follows :

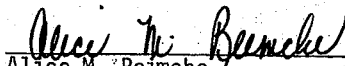
1. The issuance and sale by the Agency from time to time, in one or more installments, of its Notes (including renewal Notes) outstanding at any one time in accordance with their terms in a maximum aggregate principal amount of \$300,000,000 is hereby authorized. Notwithstanding such maximum aggregate principal amount, the Agency is hereby authorized to issue additional principal amounts of Notes if and to the extent required to complete the financing of the Project. The proceeds from the sale of the Notes hereby authorized are to be used for the financing of costs of acquisition and construction of the Project, including interest on the Notes. The Notes hereby authorized are to be renewable from time to time and such Notes, and premium, if any, and interest thereon, are to be payable from proceeds of renewal Notes and the proceeds of Public Power Revenue Bonds of the Agency and, to the extent not so paid, may be payable from revenues of the Agency from the Project, including payments received by the Agency from the Participants under the Member Agreements .
2. Pursuant to Section 6547 of the Joint Powers Act, this Ordinance is subject to the provisions for referendum prescribed by Section 3751.7 of the Elections Code of the State of California.
3. The City Clerk shall certify to the enactment of this Ordinance and shall cause notice of the same to be published in accordance with Section 6040.1 of the Government Code of the State of California.
4. Sixty (60) days from and after its enactment, this Ordinance shall take effect and be in full force, in the manner provided by law.

THE FOREGOING ORDINANCE is approved, enacted and adopted by the City Council of the City of Lodi, this 27th day of October, 1982.


Fred M. Reid

Mayor

ATTEST:



Alice M. Reimche
City Clerk

State of California
County of San Joaquin, ss.


I, Alice M. Reimche, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1274 was introduced at a regular meeting of the City Council of the city of Lodi held October 6, 1982 and was thereafter passed, adopted and ordered to print at an adjourned regular meeting of said Council held October 27, 1982 by the following vote:

| | |
|-----------|--|
| Ayes : | Council Members - Olson, Snider, Murphy, Pinkerton, and Reid |
| Noes: | Council Members - None |
| Absent: | Council Members - None |
| Abstain : | Council Members - None |

I further certify that Ordinance No. 1274 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.


REIMCHE
City Clerk

Approved as to form


Ron M. Stein
City Attorney

NOTICE OF ORDINANCE SUBJECT TO REFERENDUM
CITY OF LODI
ORDINANCE NO. 1274
ADOPTED BY THE CITY COUNCIL OF THE CITY OF LODI
ON OCTOBER 27, 1982

Notice is hereby given that at an adjourned regular meeting of the City Council of the City of Lodi (the "City Council"), held on October 27, 1982, Ordinance No. 1274 (the "Ordinance") was adopted. The title and a summary of the Ordinance are set forth below. The Ordinance is subject to referendum, as discussed below.

Title

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI AUTHORIZING THE
ISSUANCE OF NOTES BY NORTHERN CALIFORNIA POWER AGENCY (GEOTHERMAL GENERATING
UNITS #3 AND #4 PROJECT).

Summary

Pursuant to the Ordinance, the City Council has authorized the issuance and sale by Northern California Power Agency (the "Agency") of its notes and other evidences of indebtedness (including renewal notes) ("Notes"), each to mature within seven years from the date of issuance thereof, to be issued, from time to time, in one or more installments, in an estimated aggregate principal amount outstanding at any one time in accordance with their terms of \$300,000,000 and to bear interest at a probable overall rate of 11% per annum. The actual interest rates on each installment of such Notes or the method of determining such rates will be determined by the Commission of the Agency in accordance with law at the time of issuance of such installment. Notwithstanding such maximum aggregate principal amount of Notes, the Agency is authorized, pursuant to the Ordinance, to issue additional principal amounts of its Notes if and to the extent required to complete the financing of the Project discussed below.

The Agency was created pursuant to a Joint Powers Agreement, as amended (the "Agreement"), heretofore entered into between the City of Lodi and certain other public agencies created pursuant to the laws of the State of California (collectively, the "Members") pursuant to the provisions of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, as amended (the "Joint Powers Act"). The Agency is a public entity separate and apart from the Members. The Agency, in accordance with the Joint Powers Act and the Agreement, has entered or will enter into agreements to acquire and construct (or to cause to be acquired and constructed) a project for the generation and transmission of electric energy consisting of two 55 megawatt geothermal generating units and related facilities, including transmission, proposed to be constructed in Sonoma and Lake Counties, State of California, and capital improvements thereto that may be constructed from time to time, and interests in certain other property and rights relating thereto, including, without limitation, such interest in the Agency's Geothermal Project Number 2, as the Agency may determine (the "Project"). The Agency has entered or will enter into one or more agreements (the "Member Agreements") with certain entities (including two or more of the Members), pursuant to which the entities entering into such Member Agreements with the Agency (the "Participants") will, in the aggregate, purchase options and/or rights to purchase and/or receive 100% of the capacity and energy of the Project. The City Council heretofore has authorized, by ordinance, the issuance and sale by the Agency of its Public Power

Revenue Bonds to provide funds for the acquisition, construction and financing of the Project. The Public Power Revenue Bonds are to be payable from funds held in trust for the benefit of the holders of such Bonds and from revenues of the Agency from the Project, including payments to be made by the Participants under the ~~Member~~ Agreements.

Neither the payment or principal of the Notes nor any part thereof nor interest thereon will constitute a debt, liability or obligation of the City of Lodi; nor does the Ordinance commit the City of Lodi to take or pay for any capacity or energy of the Project.

THE AGENCY PROPOSES TO ISSUE, IN ACCORDANCE WITH THE AGREEMENT AND THE JOINT POWERS ACT, ITS NOTES (INCLUDING RENEWAL NOTES) FOR THE PURPOSE OF FINANCING STUDIES, THE ACQUISITION OF OPTIONS, PERMITS, AND OTHER PRELIMINARY COSTS TO BE INCURRED PRIOR TO THE UNDERTAKING OF THE CONSTRUCTION OR ACQUISITION OF THE PROJECT AND FOR THE PURPOSE OF PROVIDING TEMPORARY FINANCING OF COSTS OF ACQUISITION AND CONSTRUCTION OF THE PROJECT. THE NOTES ARE TO BE PAYABLE FROM THE PROCEEDS OF RENEWAL NOTES AND FROM THE PROCEEDS OF THE PUBLIC POWER REVENUE BONDS AND, TO THE EXTENT NOT SO PAID, MAY BE PAYABLE FROM REVENUES OF THE AGENCY FROM THE PROJECT, INCLUDING PAYMENTS TO BE MADE BY THE PARTICIPANTS UNDER THE MEMBER AGREEMENTS.

THE ORDINANCE AUTHORIZING THE ISSUANCE OF THE NOTES IS SUBJECT TO REFERENDUM. UPON PRESENTATION (WITHIN THE TIME PERIOD SPECIFIED BY LAW) OF A PETITION (BEARING SIGNATURES, IN AT LEAST THE NUMBER REQUIRED BY THE LAW) PROTESTING AGAINST THE ADOPTION OF THE ORDINANCE, THE CITY COUNCIL IS REQUIRED TO RECONSIDER THE ORDINANCE. THEREUPON, IF THE CITY COUNCIL DOES NOT ENTIRELY REPEAL THE ORDINANCE, THE ORDINANCE SHALL BE SUBMITTED (UNDER BALLOT WORDING PRESCRIBED BY LAW) TO THE VOTERS AT A REGULAR OR SPECIAL ELECTION AND THE ORDINANCE SHALL NOT BECOME EFFECTIVE UNTIL A MAJORITY OF THE VOTERS VOTING ON THE ORDINANCE VOTE IN FAVOR OF IT. THE FOREGOING DESCRIPTION OF THE PROCEDURES FOR REFERENDUM IS BASED UPON THE APPLICABLE REFERENDUM PROVISIONS OF THE CALIFORNIA ELECTIONS CODE AND THE CALIFORNIA GOVERNMENT CODE. REFERENCE IS MADE TO THE CALIFORNIA ELECTIONS CODE AND THE CALIFORNIA GOVERNMENT CODE FOR A COMPLETE STATEMENT OF SUCH PROVISIONS.